

Other Frequently Asked Questions

How do I pay Maricopa city tax?

The Arizona Department of Revenue collects Maricopa city tax along with the State and County tax. Report your Maricopa tax on your **State form TPT-1**
<http://www.azdor.gov/LinkClick.aspx?fileticket=mycJcDJQRPg%3d&tabid=264&mid=868>

What region code and business class should I use when reporting Maricopa city tax on the TPT-1 form?

The region code for Maricopa is "MP" and the business class is "000" except for hotel/motel which is "003". Additional information can be found at the following link.

<http://www.azdor.gov/Business/TPT/TPTRates/MaricopaCity.aspx>

How do I calculate my taxes due?

Taxes are calculated by stating the gross receipts for the reporting period on the tax return, entering the itemized deductions, then multiplying the resulting net taxable amount by the appropriate tax rate (7.7% for the State/County and 2.0% for the city of Maricopa).

What if I don't collect the tax from my customers?

It is the responsibility of the business to remit transaction privilege tax. Whether you collect it from your customers or not, the tax liability for all taxable business conducted in Maricopa city must be remitted.

Are sales to the City of Maricopa taxable?

Yes, all sales (except sales for resale) that you make to the city are taxed in the same manner as other taxable sales.

Are internet sales taxable?

Yes, items sold by a business located in Maricopa via the internet to Arizona residents are taxable at the State/County rate and the Maricopa rate and must be reported on the TPT-1 form.

How do I cancel my license?

Return the license to the Department of Revenue with the word "CANCEL" written across the front of it and mail to:

License and Registration
Arizona Department of Revenue
PO Box 29032
Phoenix, AZ 85038-9032

Or, you can visit any Arizona Department of Revenue office locations where a customer service representative can assist in cancelling the license

I only do business for special events in Arizona, am I required to have a license?

Yes. The Transaction Privilege Tax Application (short form) must be obtained. This short form is specifically for event licensing or transient vendors and is intended for use by vendors at special events such as Fairs, Shows, Swap Meets, etc.

The state license fee is \$12 no matter how many special events you attend. However, a separate city license fee is required for each city unless you are currently licensed for the city in which an event will be held.

How often do I have to renew my license?

A change of name or location would require a new license and is subject to applicable fees. As long as ownership or location has not changed, there is no need to renew the license.

How do I change my business location or mailing address?

Complete the [Transaction Privilege and Use Tax/ Withholding License Update form](#) and mail it to:

Attention: License and Registration
Department of Revenue
PO Box 29032
Phoenix, AZ, 85007

Am I required to obtain a new license if the name of my business has changed?

If ownership or location has not changed, you must notify the Department of Revenue in writing by completing the [Transaction Privilege and Use Tax/ Withholding License Update form](#) and paying any applicable fees.

My business is run out of my home. Am I still required to obtain a license?

Yes, you must apply and obtain a license. You may use your home address as the business address on the application.

Am I required to have a license for each location?

Each separate physical location must have a license for display. If the ownership is the same, the locations can be consolidated under one license number to allow the taxpayer to file a single return. If the taxpayer does not wish to consolidate, they can complete separate license applications and

have different license numbers issued for each location. Filing of tax return and payment of tax is required for each license issued.

My business never opened. Do I need to cancel the license?

Yes. Return the license to the Department of Revenue with the word "CANCEL" written across the front of it and mail to:

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Arizona Department of Revenue
PO Box 29032
Phoenix, AZ 85038-9032

Or, you can visit one of our office locations where a customer service representative can assist in cancelling the license

I lost my license, can I obtain a copy?

Yes. The fee for a copy is \$12 plus any applicable city fee.

What signatures are required on a license application?

Only individuals legally responsible for the business may sign the application. Agents or representatives may not sign the application. Here are examples of signature requirements:

- Sole Proprietor; Owner(s) of the business.
- Partnership; A minimum of one partner.
- Corporation, Organization, LLC, Sub Chapter S or Trust; A minimum of one financial corporate officers.

Am I required to register my Corporation with the Arizona Corporation Commission?

Yes. Corporations must also file with the Arizona Corporation Commission. The Corporation Commission may be contacted at www.cc.state.az.us or by phone at 602-542-4251.

Is a business required to have an EIN (Employer Identification Number)?

Yes. Corporations, partnerships, and all employers must have a Federal Employee Identification Number (also referred to as FEIN). This number can only be obtained through the Internal Revenue Service (IRS). Their web site is www.irs.gov or you can contact the IRS by phone at 1-800-829-1040.

As a sole proprietorship can I use my SSN (Social Security Number) as my EIN?

Yes, only if you are a sole proprietor with no employees.

What is a "Program City"?

"Program City" is a municipality that has an agreement with the Arizona Department of Revenue to act as the collecting agent for transaction privilege tax and remit it back to the municipality.

What are non-program cities?

[Non-program cities](#) are cities in Arizona who license and collect privilege tax independently from the State. If business is conducted in one of these non-program cities, a separate city privilege tax license is necessary. In addition, you must report and pay the city portion of the transaction privilege tax directly to the city. You must [contact the non-program city](#) for licensing instructions.

When is a sale exempt from tax when goods are used for resale purposes?

If a vendor or seller has a "good faith" belief that the purchaser will be reselling the goods or using the goods for an exempt purpose, the sale may be exempt from tax.

The purchaser should present the vendor with a completed Exemption Resale Certificate (Form 5000 or 5000A). A vendor that accepts a certificate in good faith will be relieved of the burden of proof and the purchaser may be required to establish the accuracy of the claimed exemption as provided in Arizona Revised Statute 42-5022.